



Downtown Center Business Improvement District

BOARD OF DIRECTORS MEETING MINUTES October 5, 2011

Board of Directors

Eric Bender, Robert Cushman, Sauli Danpour, Kathy Faulk, Joseph Flueckiger, Robert Hanasab, Steve Hathaway, Peggy Moretti (via conference call), Anne Peaks (via conference call), Paul Rutter (via conference call), Carol E. Schatz, Patrick Spillane, Daniel B. Swartz, Cindy Troesh (via conference call), Cari Wolk (via conference call), Peter Zen

Absent

Sonny Astani, Barbara Bundy, David Damus, Frank Frallicciardi, Sandy Nam, Peklar Pilavjian, Colin Shepherd, Susann Ventzke

Staff

Hal Bastian, Jeff Chodorow, Randall Ely, Rachel Forman, Jacob Holloway, Connie Hwang, Aleeza Miller, Ken Nakano, Justin Weiss

CALL TO ORDER

Spillane called the meeting to order at 8:12 a.m. with a quorum.

PROPERTY OWNER/PUBLIC COMMENT PERIOD ON AGENDA ITEMS

Spillane opened the meeting to the public for comments, in which there were none.

APPROVAL OF MINUTES

Kathy Faulk made a motion to accept the minutes from the Board meeting on September 1, 2011. Steve Hathaway seconded the motion. The motion was then approved by the Board.

PRESIDENT'S REPORT

The 12th Annual Public Safety Appreciation BBQ was on Friday, September 30. The event was very successful, with Sheriff Baca, Chief Beck, Chief Cummings, and Councilmembers Perry, LaBonge, Zine, and Rosendahl. The LA Firemen's Relief Association will be presented a check for \$7,200. Schatz thanked those who sponsored the event. Over 1,500 people attended the BBQ.

There will be a special Streetcar Meeting on October 18 at 9:30 a.m., with Jim Thomas and David Weinstein in attendance. Dennis Allen will present a new route and funding mechanism to the property owners.

There is a proposal that would establish a new franchise system for solid waste and recycling collection for multi-family residential and possibly commercial properties. Currently, property owners may contract with the waste hauler of their choice, which enables the owners to negotiate a contract with one hauler at a reduced rate. Tracey Chavira has been following this issue for CCA. CCA does that support a franchise system that will decrease competition and increase costs. Spillane asked about commissioning a study that would show noncompetitive contracts would lead to more expenses. Schatz reported that the private sector has commissioned a study, which may come to that conclusion.

Schatz spent a fair amount of time in Sacramento advocating for SB 292 and AB 900, two bills signed by Governor Brown that will ease the way for the development of Farmers Field. Schatz noted that this could be the basis for CEQA reform.

The Fall Tour is scheduled for November 15, 2011. This event helps attract more retail to Downtown.

CicLAvia is scheduled for Sunday, October 9, 2011. Maps of the street closures were distributed to the meeting attendees.

Brigade, the first women's boutique on 7th Street, had its soft opening.

Russell Brown has been removed as Executive Director of the Historic Downtown Business Improvement District (HDBID). He will remain as Acting Director until his replacement has been selected. Schatz has been speaking with some of the key property owners about long-term effects. The original intention was to absorb the HDBID into the DCBID. Mutually beneficial goals could be reached if this were to occur.

BUDGET PRESENTATION

Schatz reported:

The budget for 2012 will have very little change. The projected reserve will be larger than expected, which will allow some leeway to make modifications to the service levels. The expected revenue from assessments is approximately \$5.8 million, but will be reserving for a deficit of \$87,000 from individual property owners and a deficit of \$56,403 with the refusal of CalTrans to pay the assessment.

The elimination of an administrative support position and the update of the salaries for Safety officers, to reflect actual staffing, reserves approximately \$112,000 for the Safety department.

Additional expenses, including trash bags, tree trimming, sidewalk pressure washing, and gateway cleanup, increases the proposed Maintenance budget by almost \$59,000.

Due to higher homeless counts and encounters, two team members will be added to the BID ACTION team, which results in an increased cost of approximately \$60,000.

Spillane reminded the Board members that two of the BID ACTION team members are, in fact, security personnel, and would be available for staffing emergencies.

Swartz asked about the impact of the parolees released in Downtown. Schatz expects to see an increase in crime and homelessness, and will have a huge impact on the district.

For Communications/Marketing, there is a slight reduction in Destination Marketing, which includes a reduction in ambassador staffing, a reduction in the production of brochures, and a reduction in expenses for outsourced website updates. However, there will be an increase in advertising dollars. The total reduction in the budget is approximately \$40,000.

For Economic Development, there are no significant budget changes.

Under Administration, there will be no automatic salary increases in 2012, but a contingency provision of \$30,000 will be set aside for wage adjustments/bonus pool. The cost of medical insurance will increase by approximately 10 percent. Additionally, salary and benefits for a Chief Operating Officer position will be budgeted for.

Comments were made regarding the BID providing services that the City has stopped providing, due to the budget crisis.

Hathaway asked about the four percent assessment increase starting in 2013. The increase has only been approved for 2013, and there will be a discussion about the alignment of operations to the budget on an annual basis.

Zen asked about budgeting in anticipation of having Public Safety fully-staffed. Faulk reported that the 2012 budget reflects the anticipated actual spending, but acknowledged that the budget should reflect the possibility of a fully-staffed department.

Faulk made a motion to approve the 2012 budget with an adjustment of approximately \$80,000 for two additional Safety officers to reach full staffing. Swartz seconded the motion. Cushman commented that the security aspect is a critical component of the BID. Swartz commented that the staffing issue needs to be revisited on a regular basis, especially because of the impending parolee release in Downtown. After some discussion, the motion passed unanimously.

SAFETY: CAPITAL EQUIPMENT PURCHASE OF T-3s

Ely reported:

The Operations Committee decided to move forward with the purchase of three T-3s to patrol the district. This will allow for increased visibility, particularly with crowds. The purchase was within the budget and was an anticipated expense. The deployment should begin by the holidays. The maintenance plan is for three years, and the expected life cycle is seven years.

OLD BUSINESS

No old business was brought up.

NEW BUSINESS

No new business was brought up.

ADJOURNMENT

The next meeting is scheduled for Wednesday, November 2, 2011, at 8:00 a.m. The meeting was adjourned at 9:14 a.m.